

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 17th day of
August, 2016.

In the Matter of KCP&L Greater Missouri)
Operations Company for Authority to)
Implement Rate Adjustments Required by)
4 CSR 240-20.090(4) and the Company's)
Approved Fuel and Purchased Power)
Cost Recovery Mechanism)

File No. ER-2017-0001
Tariff No. JE-2017-0002

**ORDER APPROVING TARIFF TO CHANGE
FUEL ADJUSTMENT CLAUSE RATES**

Issue Date: August 17, 2016

Effective Date: September 1, 2016

On July 1, 2016, KCP&L Greater Missouri Operations Company ("GMO") filed a tariff sheet adjusting the Fuel Adjustment Rates ("FARs") that the company uses to calculate charges under its Fuel Adjustment Clause ("FAC"). The submitted tariff sheet bears an effective date of September 1, 2016. Along with the tariff sheet, GMO also submitted supporting documentation and the direct testimony of witness Linda Nunn.

For the 18th Accumulation Period (December 1, 2015 through May 31, 2016), the net costs for GMO to provide energy to its customers decreased. GMO's actual FAC includable costs did not reach the fuel and purchased power base costs included in GMO's base rates.¹ GMO consists of two jurisdictions, "MPS" and "L&P." For MPS, GMO's FAC includable costs were \$9.9 million lower than the approved base energy costs. For L&P, the

¹ Fuel and purchased power costs net off-system sales were rebased in GMO's 2012 general rate case in order to account for higher fuel and purchased power costs.

FAC includable costs were \$3.6 million lower than the base energy costs. In accordance with GMO's FAC, the proposed rate schedules are designed to return to customers 95% of the cost changes. The requested adjustment would decrease a typical "MPS" residential customer's bill by approximately \$1.66 per month and decrease a typical "L&P" residential customer's bill by approximately \$1.65 per month.²

The Commission issued notice of GMO's FAC filing, directed the Commission's Staff to file a recommendation, and set an intervention deadline. No applications to intervene were received.³ On August 1, Staff filed a recommendation to approve GMO's FAC tariff sheet adjustments. Staff verified that the actual fuel and purchased power costs less off-system sales revenues match the fuel and purchased power costs less off-system sales revenue in GMO's proposed 12th Revised Tariff Sheet No. 127.⁴ Staff also reviewed GMO's monthly interest rates that are applied to the under/over recovery of base fuel and purchased power costs for Accumulation Period 18, and verified that the monthly interest rates and calculations of interest amounts are correct.

Based on the direct testimony of Linda Nunn and the recommendation of Staff, the Commission will approve GMO's proposed rate schedule. Since there are no objections to the proposed rate schedules and Commission Rule 4 CSR 240-20.090(4) requires the Commission to approve or reject GMO's tariff within sixty days of the filing, the Commission will allow this order to go into effect in less than thirty days.

² These estimates are based on an average use of 868 kWh per month.

³ Consistent with the requirement of Commission Rule 4 CSR 240-3.161(10), the parties to the rate case in which the Commission approved GMO's FAC – File No. ER-2012-0175 – were made parties to this matter, without requiring an application to intervene.

⁴ On January 3, 2013, the Commission granted GMO a waiver from 4 CSR 240-20.100(6)(A)16, which prevents GMO from recovering renewable energy standard costs through its FAC, with GMO working with

THE COMMISSION ORDERS THAT:

1. KCP&L Greater Missouri Operations Company's tariff sheet, assigned Tracking No. JE-2017-0002, is approved to go into effect on September 1, 2016. The specific tariff sheet approved is the following:

PSC MO. No. 1

12th Revised Sheet No. 127, Canceling 11th Revised Sheet No. 127

2. This order shall be effective on September 1, 2016
3. This file shall be closed on September 2, 2016.

BY THE COMMISSION



A handwritten signature in dark ink, reading "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney, and Rupp, CC., concur;
Coleman, C., absent.

Burton, Senior Regulatory Law Judge.

Staff to resolve treatment of those costs. The waiver remains in effect and Staff and the company are still working to resolve the treatment of fuel costs related to the St. Joseph Landfill Gas Facility.